BOARD OF GOVERNORS OF CONCORDIA UNIVERSITY

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON THURSDAY, 21ST APRIL, 1983 AT 12:00 NOON, ROOMS H-762 & H-769, HALL BUILDING, SGW CAMPUS

ATTENDANCE: Present were: Mr. D. W. McNaughton, Chairman, Mr. W. E. McLaughlin, O.C., Chancellor, Mr. M. J. Bourgault, C.M., Dr. R. W. Breen, Dr. J. S. Daniel, Mr. J. Dinsmore, Prof. C. Gabriel-Lacki, Mr. R. L. Grassby, Ms. G. Hirsh, Dr. S. Hoecker-Drysdale, Dr. M. Hogben, Mr. S. Huza, Mrs. B. J. Lande, C.M., Dr. M. Laroche, Ms. L. Mancini, Prof. G. Martin, Mr. Paul E. Martin, Mr. G. Murray, Ms. S. Murray, Dr. J. W. O'Brien, Mr. J. J. Pepper, Dr. T. S. Sankar, Mr. H. Seltzer, Prof. K. Waters, Rev. A. Graham, S.J., Secretary.

Absent with apologies: Mr. G. T. Fisher, Mr. R. K. Groome, O.C., Mr. P. M. McEntyre.

DOCUMENTS CONSIDERED AND ATTACHED TO THESE MINUTES

BG-83-4-D14	-	Memorandum from O'Brien (April 7, 1983).
BG-83-4-D15	-	SGW Schools Fiscal 1981-82.
BG-83-4-D16	-	Pension Plans (March 25, 1983).
BG-83-4-DI7	-	Pension Plans.
BG-83-4-D18	-	CCSL.
BG-83-4-D19	-	Donor Recognition Relative to the Capital Campaign.
PC-83-3-D9	-	Breen's Report.
PC-83-3-D10	-	Daniel's Report.
PC-83-3-D11	-	Advisory Search Committee, Dean, Fine Arts.
PC-83-4-D13	-	Breen's Report.
PC-83-4-D14	-	Daniel's Report.

OPEN SESSION

1. Approval of Minutes

It was moved and seconded (Bourgault, Seltzer) and unanimously RESOLVED:

THAT the minutes of the open session of February 17, 1983, and of the special meeting of March 21, 1983 be approved.

2. Loyola Pensions

A large group of interested persons entered the meeting and was greeted by the Chairman. In the absence of Mr. Fisher, Chairman of the Benefits Committee, Dr. Daniel was asked to present document BG-83-4-D17 and attachments (a) History of the SGW Pension Plan, (b) Review of Past Service Benefits, Pension Plan for the Employees of Concordia University. Dr. Daniel explained that the Benefits Committee tried to (1) cast its net as wide as necessary; (2) go as far as possible in awarding benefits within the constraints imposed by its mandate; and (3) propose a mechanism to keep the pensions concerned under constant review and make such changes as may be possible.

The Benefits Committee indicated that the University has met its legal obligations; the present issue concerns the moral issue of improving pension benefits for certain categories of employees. The Benefits Committee has made its recommendations in the document entitled "Review of Past Service Benefits, Pension Plan for the Employees of Concordia University". This document has been prepared with the help of actuaries; it has not been legally reviewed and slight changes may be thought necessary by the University lawyers. Members of the Board asked for specific details concerning awards beyond the 40% proposed in the resolution. Dr. Daniel replied that it is difficult to foresee what the Benefits Committee may be able to do in the future. The present settlement is limited by the $3 million surplus in the pension fund; the Benefits Committee cannot, of course, operate outside this fund.

Some surprise was voiced that the Committee apparently enlarged its mandate by including other groups besides the original petitioners. When Board members requested the direct reports from the actuarial firm of Mercer & Cc., it was explained that these reports frequently required verbal presentation; it would not have been meaningful to send the documents considered by the Benefits Committee directly to the Board.

Some members hoped that the Board of Governors would vote more assistance to the disadvantaged than that available to the Benefits Committee through surplus pension moneys. After further discussion:

WHEREAS the Concordia Employee Benefits Committee (hereinafter referred to as "the Committee") was asked to review the pension benefits of those full-time employees of Concordia University who were formerly Members of the Loyola College Pension Plan funded through ManuLife Group Annuity Contract GA-2443; and

WHEREAS this review has inevitably raised questions about equity and fairness with respect to other full-time employees who are members of the Pension Plan for the Employees of Concordia University, in particular:

1. Members who were non-academic full-time employees of Sir George Williams University prior to 1970 and who were not eligible to participate in the Pension Plan before 1970;

2. Members who were full-time employees of Sir George Williams University between 1970 and 1977 and who chose not to participate in the Pension Plan between 1970 and 1977;

3. Other members who by choice or exclusion were not members of the Sir George Williams or Loyola Pension Plans during some part of their period of active fulltime employment by these institutions; and

WHEREAS improving the benefits of all these groups raises philosophical and technical questions of great complexity and could potentially create a significant Unfunded Liability within the Pension Plan for the Employees of Concordia University; and

WHEREAS the University has met its legal obligations to fund the pension benefits earned by employees prior to the date of merger; and

WHEREAS the Committee recognizes that surpluses accrued in the pension fund nay be used from time to time to improve the pension benefits of groups which may find themselves at a disadvantage; and

WHEREAS the Committee was asked to make a recommendation to the Board of Governors for the April meeting,

it was moved and seconded (Daniel, Bourgault) and proposed:

THAT (I) any pensions payable on or after June 1, 1983 to the groups described in 1 below should be increased by the amount described in 2 below.

1. <u>Affected Groups</u>

(a) Members who are active full-time employees of Concordia University on June 1, 1983.

(b) Members who are in receipt of pensions on June 1, 1983, and who retired from active full-time employment at Concordia, Sir George Williams, or Loyola (hereinafter denoted as "the University or its Predecessors").

(c) Beneficiaries of former members, where

(i) the former member will have retired, or will have been deemed to have retired, from active full-time employment at the University or its Predecessors prior to June 1, 1983, and will have died prior to this same date; and

(ii) the beneficiary will receive benefits from the Concordia Pension Plan payable on or after June 1, 1983.

(d) Former employees of Loyola College who retired from active full-time employment at Loyola prior to April 1, 1973 and who, on June 1, 1983, are in receipt of a retirement pension payable pursuant to ManuLife Group Annuity Contract GA-2443.

(e) Beneficiaries of former employees of Loyola College where:

(i) the former employee retired from active full-time employment at Loyola prior to April 1, 1973 and died prior to June 1, 1983; and

(ii) the beneficiary receives benefits pursuant to Manulife Group Annuity Contract GA-2443 payable on or after June 1, 1983.

2. Amount

The increase in the benefits payable to an individual in one of the Affected Groups should be:

$$0.40 (B- A) - C$$

where A, B and C are defined as follows.

A. The benefit for service between January 1, 1960 and January 1, 1977 according to the terms and provisions of the Concordia Pension Plan as at December 31, 1982, plus any cost of living supplements granted thereon, whether paid from the pension fund or the University's general

revenue, plus any amounts the member receives pursuant to ManuLife Group Annuity Contract GA-2443.

B. The benefit that would be payable for service after January 1, 1960 and before January 1, 1977 according to the terms and provisions of the Concordia Pension Plan on December 31, 1982, if this plan had been amended as of and from that date:

(i) To extend membership to those individuals in the Affected Groups who were not members.

(ii) To extend the pension benefit formula applying to Contributory and Non-Contributory Credited Service after January 1, 1977 to all Credited Service, except for Contributory Credited Service prior to January 1, 1966 where the benefit will be 2% of Final Average Earnings.

(iii) To redefine Credited Service so that the Credited Service of a member commences at the earlier of:

- the date on which the member joined the Concordia Pension Plan or its Predecessors (i.e. the pension plans of Sir George Williams University (including the YMCA Retirement Fund) and the pension plans of Loyola College including that funded through ManuLife Group Annuity Contract GA-2443); and

- January 1 of the second calendar year following the calendar year in which the most recent period of permanent full-time employment at the University or its Predecessors commenced.

(iv) To include as Contributory Credited Service any period of Credited Service during which contributions were made to ManuLife Group Annuity Contract GA-2443.

(v) To incorporate in the pension plan all cost of living supplements granted prior to December 31, 1982 that do not now appear in the plan document.

C. Any ex-gratia payments unrelated to cost of living supplements payable directly from Concordia's general revenue.

The form of any increased pension shall be the same as the form of the pension otherwise payable.

(II) The Committee shall annually review the 40% factor appearing in (1) 2 above, and will attach high priority to increasing this percentage, as appropriate, when such an increase can be accommodated without jeopardizing the plan's financial position, and without adversely affecting the plan's ability to internally finance ad hoc cost of living supplements, and shall report its recommendations annually to the Board.

(III) No change shall be made to the pension benefits of any member whose employment has terminated prior to June 1, 1983 for reasons other than retirement.

An amendment was moved and seconded (Waters, Hoecker-Drysdale):

THAT (a) the Board declares May 31, 1986 to be the latest date by which equalization of the Benefits formula is to be implemented. Equalization is defined as the equal application of the formulation of benefits within the time period for which an employee is eligible.

(b) the Board intends that some annual increment to the 40% factor be implemented each year up to May 31, 1986 at the latest.

(c) the Board's commitment to (a) above and intent regarding (b) above is not restricted to the present pension plan as a source of financing.

(d) with these principles in mind, the Benefits Committee shall annually view the 40% factor appearing in (b) above and shall forward annually recommendations regarding its increment to the Board.

It was moved, seconded and unanimously APPROVED:

THAT the above amendment be referred to the Finance Committee before the May meeting of the Board of Governors.

The original motion was then VOTED upon and unanimously APPROVED:

The Chairman invited Mr. Lawrence Bessner, speaking on behalf of the Loyola petitioners, to address the meeting. Mr. Bessner congratulated Dr. Daniel and Prof. Martin on their presentation and work for a solution to the pension problem.

He stated that he had excerpts from the November 1, 1976 issue of FYI (a Concordia weekly newspaper: "For Your Information", forerunner of The Thursday Report) referring to a meeting of the Board of Governors of November 11, 1976 which was to consider the proposed Concordia Benefit Program including retirement pension benefits for all Concordia employees. He would submit this to the Chairman.

While understanding that the Benefits Committee could go no further at present in seeking a solution for the disadvantaged employees, he made several suggestions of how the Board of Governors might investigate other possible sources of money for pension equalization to supplement surpluses available from the pension fund.

Referring to the Benefits Committee report item III which states:

"The Committee specifically recommends to the Board that no change be made to the pension benefits of any member whose employment has terminated prior to June 1, 1983 for reasons other than retirement".

It was moved and seconded (Waters, Hoecker-Drysdale) and unanimously RESOLVED:

THAT the issues involved in item III of the Benefits Committee report be referred to the Finance Committee.

3. Rector's Report

(a) The Rector reported that the Mission Study is still under discussion by Senate; a full day will be devoted to discussing these matters toward the end of April.

(b) Consideration has been given to re-organization at the senior administration level involving the appointment of one academic Vice-Rector. The matter will be referred to the Personnel Committee at its next meeting.

(c) A major re-organization is taking place in the Alumni Association. A new Executive Director has been appointed in the person of Mr. Garry Richards who has been the Director of the Alumni at McGill in recent years.

4. Vice-Rectors' Reports

(a) Vice-Rector Martin reported the extended shuttle bus service voted by the Board in February has been studied by the Operational Services Committee and will begin service in the fall. The service will cost $39,000 and the operation will be reviewed at Christmas 1983.

(b) Vice-Rector Daniel reported that negotiations between the University and CUFA now under arbitration are progressing; CUFA is presenting its brief to the Arbitration Board this week and the University will have its hearing early in May. An arbitration board ruling should be forthcoming in the near future.

5. Summer School Employment

It was moved and seconded (Daniel, Huza) and unanimously RESOLVED:

WHEREAS a number of summer employment projects are being submitted to the University Research Officer, and it would seem better to have a blanket coverage for all these projects rather than a separate motion to be passed by the Board for each project;

THAT (1) Dr. J. W. O'Brien, Rector, or Rev. A. Graham, Secretary of the Board, be authorized to sign any official document with the Canadian Government concerning the following:

Employment and Immigration - Summer Canada Student Employment Program - Community Projects; and

THAT (2) Concordia University will assume any costs exceeding the allowed contribution from the Canadian Government in the event that projects are subsidized.

6. It was moved and seconded (O'Brien, Breen) and unanimously RESOLVED:

THAT Associate Professor Dorothy Markiewicz of the Departments of Applied Social Science and Psychology, be nominated by the Board of Concordia University to be a representative on the Board of the Centre Mont St-Patrick Inc.

The Board received with approval the recommendation of Prof. Waters that nominations for specific positions be presented in writing to the Board members before meetings.

7. Document BG-83-4-D18 was introduced by Dr. Breen and, after a brief statement concerning the recommended student service budget, it was moved and seconded (Breen, Mancini) and unanimously RESOLVED:

THAT the Student Services Operating Budget, Fiscal 1983-84, presented by the Priorities and Finance Committee of CCSL, be approved.

Dr. Hoecker-Drysdale commented on the recommendation of the CCSL Committee that a supplementary budget be allocated by the Department of Physical Education and Athletics to upgrade women's athletics programmes. Hopefully more money will be available for women's programmes and intramural sports.

8. Date, Time and Place of Next Meeting

The next meeting will take place on Thursday, 19th May, 1983 at 4:00 p.m. in Room H-769, prior to the reception for the Board of Governors of McGill University at 5:30 p.m.

9. Termination

The meeting terminated at 2:40 p.m.

Aloysius Graham, S.J.,
Secretary